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MONITORING OF THE UNITED NATIONS SYSTEM-WIDE ACTION PLAN ON DRUG ABUSE CONTROL AND OTHER COORDINATION MATTERS

Coordination of drug control activities within the United Nations system

Note by the Secretariat

Summary

The present report delineates the impact of United Nations reform measures on drug control activities and provides examples of collaborative activities being undertaken in this area by United Nations entities. The update of the United Nations System-Wide Action Plan on Drug Abuse Control will be made available to the Commission in a conference room paper (E/CN.7/1998/CRP.1).

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INTRODUCTION

1. The present note is submitted in response to General Assembly resolution 48/112, section IV, of 20 December 1993, in which the Assembly requested that the United Nations System-Wide Action Plan on Drug Abuse Control be reviewed and updated on a biennial basis.

I. STATUS OF THE UNITED NATIONS SYSTEM-WIDE ACTION PLAN ON DRUG ABUSE CONTROL

2. The General Assembly first requested the development of the United Nations System-Wide Action Plan on Drug Abuse Control in its resolution 44/141 of 15 December 1989. After various attempts had been made to formulate a working document, the Administrative Committee on Coordination (ACC), in 1995, charged its Subcommittee on Drug Control to revitalize the System-Wide Action Plan and render it more operational. The Subcommittee subsequently identified six initial subsectoral topics, on which it formulated action plans. These comprised the first version of the revitalized System-Wide Action Plan and were made available to the Commission on Narcotic Drugs at its thirty-ninth session (E/CN.7/1996/CRP.1) and to the Economic and Social Council and the Assembly (A/51/129-E/1996/53). The Subcommittee has since prepared three additional subsectoral plans of action for inclusion in the System-Wide Action Plan and initiated a review of the implementation. A full report on the implementation and updating of the System-Wide Action Plan will be made available to the Commission at its forty-first session (E/CN.7/1998/CRP.1). The Subcommittee requested the United Nations International Drug Control Programme (UNDCP) to undertake an evaluation of the System-Wide Action Plan process in 1998 and to report on the results obtained to the Subcommittee at its sixth session, which is scheduled to meet in September 1998.

II. FIELD-LEVEL COLLABORATION

3. Over the past two years, the United Nations has placed increasing emphasis on the importance of inter-agency cooperation at the field level. UNDCP has been actively involved in a number of initiatives through its participation in the ACC machinery, in particular the Consultative Committee on Programme and Operational Questions (CCPOQ). These include the development of the "strategic framework" approach to conflict and

post-conflict situations; efforts to define more clearly and strengthen the ability of the United Nations system to interact with civil society; and the coordination of programming and operations at the country level through the Resident Coordinator system. UNDCP fully supports the Resident Coordinator approach and the development of the country team concept. UNDCP participates whenever appropriate in the workshops on country team management organized by the United Nations Staff College project at Turin, Italy.

4. Another forum within the ACC machinery, the ACC Subcommittee on Drug Control, at its fifth session, unanimously underscored the importance of field-level collaboration. In that context, the Subcommittee decided to review the applicability of the System-Wide Action Plan to field-level operations and agreed on the importance of publicizing "best practices" of collaborative undertakings.

5. Resident coordinators in high-priority countries are encouraged to create thematic groups on drug control to ensure that the relevant parts of the United Nations system are sensitized to the need to devote attention to the drug issue in their own priorities and to encourage them to undertake activities in association with UNDCP or in support of UNDCP initiatives. The case of Viet Nam can serve as a model in this respect.

6. Both the CCPOQ initiatives and the more informal Joint Consultative Group on Policy (in which UNDCP is an observer) have offered the opportunity to associate the Programme with other initiatives designed to strengthen coordination at the field level, especially in the area of programming. Those initiatives have now coalesced in the context of the United Nations reform process, in particular the United Nations Development Assistance Framework (UNDAF). The involvement of UNDCP in the reform process is described below.

A. United Nations reform

7. In March 1997, the Secretary-General presented his track I reform proposals, a package of "managerial initiatives and decisions" falling within his authority that he could take immediately. The track II proposals, which the Secretary-General presented in July 1997, incorporated further measures within his authority, including those requiring consultations with and guidance from Member States, as well as proposals on more fundamental issues that could only be decided by Member States. The General Assembly at its fifty-second session endorsed 29 action items in the report on reform submitted by the Secretary-General (A/51/950 and Add.1-6), including a proposal to create an Office for Drug Control and Crime Prevention.

8. In the context of the reform, the Secretary-General established within the Secretariat four sector groups to advise him on humanitarian affairs, political affairs, economic and social affairs and operational development.

1. United Nations Development Group

9. The United Nations Development Group is one of the above-mentioned sector groups. It deals with issues pertaining to operational activities. The Group consists of the Department of Economic and Social Affairs of the Secretariat, the United Nations Centre for Human Settlements (Habitat), the United Nations Office for Project Services, UNDCP, the Joint and Co-sponsored United Nations Programme on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and the United Nations Development Fund for Women (UNIFEM), while its Executive Committee is composed of the executive heads of UNICEF, UNDP and UNFPA with a provision for the participation of other organizations in areas relevant to their interests.

10. Discussions within the Group resulted in the elaboration of specific reform proposals, the cornerstone of which is the move towards a greater integration of United Nations operational activities through the adoption of a common strategic framework for the individual programmes of the United Nations funds and programmes

(and, ultimately, the specialized agencies). The UNDAF process entails the revision and strengthening of the Resident Coordinator system, as a crucial step. UNDCP has taken part in this multifaceted process: its focal point for this matter participated in the joint training of all facilitators, in New York in September 1997, and subsequently assisted the United Nations country teams of Morocco and Senegal to plan and carry out the UNDAF process. Furthermore, UNDCP has contributed drug-related indicators for common country assessment, in the context of the same exercise. UNDCP supports the implementation of the other measures proposed by the Group and included in the report on reform, and will, in particular, contribute to the promotion of a more unified United Nations presence at the country level to ensure greater coherence and unity of purpose in assistance programmes.

2. Executive Committee on Economic and Social Affairs

11. The Executive Committee on Economic and Social Affairs is another sector group established in the framework of United Nations reform. It is composed of the executive heads of the following departments, funds, programmes and offices in charge of economic and social matters: the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development, the United Nations Environment Programme, the United Nations Centre for Human Settlements (Habitat), the Office of the United Nations High Commissioner for Human Rights, the Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Western Asia, UNDCP, UNDP, the United Nations University, the United Nations International Research and Training Institute for the Advancement of Women, the United Nations Institute for Training and Research and the United Nations Research Institute for Social Development.

12. One of the objectives of the Committee is to identify measures designed to ensure a greater coherence of views within the United Nations entities. In the interest of clarifying the mandate of the Organization, each department, fund, programme and office has been requested to specify its core functions; UNDCP has participated in the exercise.

13. The current policy and action of UNDCP are totally in line with the proposals and initiatives that have emerged from the work of the Committee, in particular those designed to develop fruitful cooperative links between non-governmental actors and the United Nations, and in particular to ensure a better interface between the private sector and the United Nations. As a matter of fact, cooperation with non-governmental organizations remains one of the priorities of UNDCP. With regard to the private sector, it is worth mentioning that the third International Private Sector Conference on Drugs in the Workplace and the Community was organized by UNDCP in collaboration with the International Labour Organization in Malaysia in September 1997 for the Asian and Pacific region. The objectives of the Conference were to mobilize the private sector in efforts to reduce drug abuse and to promote partnership between the business world and the community in activities related to drug demand reduction. UNDCP also supports the implementation of the Committee's initiative for the creation of a "dividend for development" from savings in administration and other overhead costs.

3. Office for Drug Control and Crime Prevention

14. Various calls by the Commission and other bodies for heightened collaboration between UNDCP and the former Crime Prevention and Criminal Justice Division of the Secretariat were brought to fruition with the establishment by the General Assembly, as part of the Secretary-General's reform package, of the Office for Drug Control and Crime Prevention, which comprises UNDCP and the Centre for International Crime Prevention. In practical terms, this development has resulted in the consolidation of the Office of the Director-General and Executive Director, and in regular consultations of senior staff of both organizational entities in the Senior Policy Coordination Group.

4. Resident Coordinator system

15. In furthering the visibility of a unified United Nations, resident coordinators sometimes also combine country team meetings with meetings with government officials, donors, non-governmental organizations and the media. It has further been noted that the publication of a common system, country team newsletter (e.g. in Bolivia and Viet Nam) not only has a positive impact on the members of the United Nations family in a given country, but also conveys a united image to recipient and donor countries alike.

16. In the context of reform measures, the opportunity now exists for the funds and programmes of the United Nations, as well as the specialized agencies, to participate actively in the selection and performance evaluation processes with respect to resident coordinators. This is of particular relevance as it is apparent that the strength of the Resident Coordinator system depends to a large extent on the individuals in those positions.

17. In practical terms, the active engagement of the resident coordinators has resulted in multi-agency activities related to drug control in several countries, as illustrated below. Whereas only 20 per cent of the resident coordinators' annual reports for 1995 received by UNDCP mentioned drug control, 30 per cent of the reports received for 1996 contained information on the subject. In an effort to draw further attention to the importance of considering drug-related issues in other contexts, UNDCP is issuing a handbook with guidelines on how resident coordinators can contribute to drug control efforts in their country of assignment.

5. United Nations Development Assistance Framework

18. UNDAF is a key component of United Nations reform for operational activities at the country level. It is a planning framework, based on common country assessments, with common objectives and time-frames that will serve as the basis for the preparation of individual country programmes or projects for the participating funds and programmes. It is also the framework for follow-up at the country level to recent international conferences and to decisions of the General Assembly. UNDAF builds on country strategy notes, where they exist, and therefore reflects national priorities and the contribution of the United Nations system towards addressing them. Specialized agencies and Bretton Woods institutions are also encouraged to participate in the exercise in order to promote visible unity among the different United Nations entities active in a given country. UNDCP participates in the common country assessment and UNDAF exercise in countries in which it maintains a field presence or in which it considers it a priority from a drug control point of view and wishes to utilize UNDAF as an opportunity to have drug control implications considered by the country teams early in the planning stage of their development activities.

19. While each of these exercises has its merits, there is still a need to rationalize and consolidate existing coordination mechanisms. It is also worth noting that in all cases of "successful" coordination, the additional effort involved in putting coordination theory into practice is felt by all partners involved. It will therefore be necessary to ascertain that the yield from such investment justifies the input. With this consideration in mind, the following activities are brought to the attention of the Commission as examples of best practices that it may be possible to replicate in other situations.

B. Collaborative activities in drug control

20. There is general recognition at the field level that collaborative activities need further refinement to achieve the best levels of efficiency. Differences in procedures and programming systems, as well as variations in approval requirements under different governing bodies, are commonly quoted causes of lack of collaborative action. Such situations promise to be alleviated through an increase in joint programming and further delegation of authority to field offices. It must also be borne in mind that direct consultations and participation in meetings are the natural starting points for collaboration and their importance should therefore not be underestimated.

21. Various types of collaboration have been encouraged over the past two years. The applicability and success of each depend on various factors in a given situation, such as national priorities, political climate and donor preferences. Several types of collaboration are discussed below.

1. Thematic groups

22. Thematic groups on drug control issues have so far been established in seven countries and are proving in most cases to be productive in that initiatives arise from them. A prominent example is in Viet Nam, where interest was awakened in the general development requirements of UNDCP project areas, from which have resulted a number of supportive activities by other agencies. Similarly, interest is also being raised in support of alternative development activities in Colombia and the Lao People's Democratic Republic and discussions with other agencies regarding possible collaboration are in progress in Myanmar.

23. It is also important for representatives of UNDCP to participate in other thematic groups so as to be able to draw attention immediately to drug-related implications, as appropriate. This is often the case, especially in the areas of health, HIV/AIDS and education, as well as in non-sectoral country team meetings. Particularly successful has been the Programme's participation in the HIV/AIDS group in Barbados, which has led to the Joint and Co-sponsored United Nations Programme on HIV/AIDS to fund part of the UNDCP contribution to a UNICEF project, and its participation in Nigeria, where, in various groups, possibilities for collaboration and joint ventures have been identified.

2. Incorporation of drug control elements in activities of other entities

24. A number of entities, notably UNICEF and UNFPA, have encouraged their field staff to assess the possibility of including a drug control component in their activities. This has already resulted in the insertion of drug abuse prevention activities in various projects of both these entities in Kenya, as well as in several UNICEF street children projects in Latin America. More activities are in the planning and approval stages with these and other agencies, such as the United Nations Educational, Scientific and Cultural Organization. The tendency is also to move forward from the initial small, individual interventions to wider, programmatic and replicable approaches, as in the case of the global project launched by UNICEF on health and development rights of children and youth in crisis.

3. Other entities joining UNDCP activities

25. In some countries where UNDCP has alternative development programmes, other entities have been encouraged to visit project sites and contribute to the general development of the areas. This is particularly pertinent in the case of Viet Nam, where, under the leadership of the Resident Coordinator, a country team visit in 1997 has resulted in related activities being undertaken by a number of organizations in the health, education and employment fields. Organizations are encouraged to undertake their own planning so as to facilitate joint or complementary action. In the case of the Lao People's Democratic Republic, for example, UNDP, the International Fund for Agricultural Development and the United Nations Capital Development Fund are all involved in a multi-province aid scheme that has as one of its objectives the elimination of illicit cultivation of the opium poppy. Efforts aimed at possible collaboration are also currently under way in Colombia and Myanmar. The UNDCP strategy for the elimination of opium cultivation in Afghanistan, which builds on the mobilization of partners, both United Nations and others, will support efforts to provide alternative sources of income to those currently dependent on illicit cash crops. This type of approach is essential to the long-term success of alternative development, which will require input from many other aid sources in addition to input from UNDCP itself.

4. Joint planning and activities

26. In some cases where the insertion of a drug control component in the activities of other agencies has been attempted, efforts have been thwarted by the time factor—i.e. the activities were already agreed upon between the agency concerned and the Government, if not already up and running. These situations have proved the point that the ideal time for integrating drug control and development activities is in the planning stage. Governments are therefore encouraged to formulate their drug control master plans within the context of their overall development plans and UNDAF, where applicable, and to alert other United Nations agencies to the possibility of making contributions.

27. A number of activities are under way involving UNDCP and other entities. Examples of these include the following:

(a) A joint UNDCP/Food and Agriculture Organization of the United Nations (FAO) fact-finding mission in 1997 for preparatory assistance for the rehabilitation of areas affected by opium poppy cultivation in Colombia produced valuable input for future UNDCP assistance in alternative development that will incorporate forestry management technologies developed and tested by FAO;

(b) UNDP is co-financing a UNDCP subregional project on reducing illicit drug use in the highlands of east Asia (Cambodia, China, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam);

(c) UNDCP and the World Health Organization (WHO) have developed a global initiative on primary prevention of substance abuse, which will be implemented by a consortium of non-governmental organizations in different geographical sites in central and eastern Europe, southern Africa and south-east Asia;

(d) UNDCP joined a larger UNICEF human development project in Bolivia on the protection of children's and young people's rights. The project, which provides direct support to 143 municipal ombudsmen of children's rights, as well as advocacy in the country's other 168 municipalities, will ensure that an integral drug abuse prevention component is included in the services provided by those institutions;

(e) UNDCP and the United Nations Interregional Crime and Justice Research Institute are collaborating in India and Brazil in the first phase of a project to strengthen national criminal justice systems.

28. The following examples demonstrate a shift towards multi-entity endeavours to consolidate a variety of mutually supporting sectoral expertise to achieve a shared goal:

(a) The UNDCP/Joint and Co-sponsored United Nations Programme on HIV/AIDS/UNICEF "Goldtooth" project for the training of drug abuse prevention trainers;

(b) In the Caribbean, UNDCP has joined a larger UNICEF programme on health and family life education, which also includes cooperation with WHO, the Pan American Health Organization and the Joint and Co-sponsored United Nations Programme on HIV/AIDS;

(c) UNDCP joined a multisectoral UNDP project, entitled "Promotion of community-based development for poverty eradication and drug abuse prevention in drug-trafficking and/or drug-producing areas of Kyrgyzstan", which is being implemented by the United Nations Volunteers;

(d) The global project on health and development rights of children and youth in crisis, which has been developed by UNDCP, UNICEF, the Joint and Co-sponsored United Nations Programme on HIV/AIDS, and

WHO, will help all co-sponsoring entities to develop a more systematic approach to incorporating the drug dimension into their field activities.

III. CONCLUSION

29. What appears to be emerging is a convergence of policy strategies from above and what have been isolated and often very small interventions on the ground. As the development of strategic frameworks, whether sectoral, national or regional, continues, all partners involved in the various aspects of drug control will be able to identify more easily their opportunities for action. In line with this general tendency and in the wave of the United Nations reform, efforts are being made to operationalize the United Nations System-Wide Action Plan on Drug Abuse Control to ensure its effectiveness as a planning tool, especially at the field level. These efforts, among others, are expected to benefit the successful implemenation of the UNDCP global plan for the elimination of illicit coca and opium poppy production.

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ADMINISTRATIVE AND BUDGETARY MATTERS

Revised draft financial rules of the Fund of the United Nations International Drug Control Programme

Note by the Executive Director

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II. Comparison between the revised draft financial rules of the Fund of the United Nations International Drug Control Programme and the draft financial rules of the Fund presented in document E/CN.7/1997/8 20

INTRODUCTION

1. The present report sets out the revised draft financial rules for the Fund of the United Nations International Drug Control Programme (UNDCP) in accordance with Commission on Narcotic Drugs resolution 6 (XL), paragraph 13. The revision amends the draft as shown in annex I to the report of the Executive Director on the response to requests by the Commission contained in its resolution 15 (XXXVIII) and related matters (E/CN.7/1997/8) and reflects, in particular, the new budget format and process for the Fund of UNDCP. The revisions comply with the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in its report on the subject to the Commission at its fortieth session (E/CN.7/1997/10) and the decisions of the Commission taken in the context of its resolutions 7 (XL) and 8 (XL). It is the intention of the Secretary-General to promulgate the revised draft financial rules, subject to the comments of the Commission and the Advisory Committee.

I. THE FUND OF THE UNITED NATIONS INTERNATIONAL DRUG CONTROL PROGRAMME AND DEVELOPMENTS LEADING TO THE ELABORATION OF THE DRAFT FINANCIAL RULES PRESENTED IN DOCUMENT E/CN.7/1997/8

2. The financial administration of the Fund of UNDCP differs considerably from the regular budget of the United Nations. The Fund was established in 1991 by the General Assembly under the direct responsibility of the Executive Director. Some of its distinctive features are the budget approval process, the system of continuous programming based on annual funding, the arrangements for the maintenance and submission of the accounts, the establishment of an operating reserve and the decentralization of administrative matters to UNDCP in the interest of efficient operation. The Fund is supported from extrabudgetary resources, with income amounting to $110 million for the biennium 1996-1997. Contributions are received from 60 States and the European Commission, with 15 States and the European Commission providing 95 per cent of the total. Special-purpose (earmarked) contributions represent approximately 70 per cent of total extrabudgetary income, and general-purpose (unearmarked) contributions account for 30 per cent. Approximately 70 per cent of the resources of the Fund were deployed in the biennium 1996-1997 for programme activities mainly in developing countries, helping them to comply with their treaty obligations and to cope with illicit drug production, trafficking and abuse. The remaining 30 per cent of the resources of the Fund covered the costs of the network of offices in 19 countries, agency support costs and a share of headquarters expenses. Programme activities are implemented by UNDCP through a network of organizations, including government organizations, the United Nations Office for Project Services, the United Nations Development Programme (UNDP), other United Nations entities and non-governmental organizations.

3. Taking into account the distinctive features of the Fund of UNDCP, the Secretary-General indicated in 1991 his intention to promulgate separate financial rules applicable to the Fund as shown in the annex to his report on administrative and financial arrangements regarding UNDCP (A/C.5/46/23), subject to approval by the General Assembly. In reviewing that report, the Advisory Committee noted that a number of issues relating to the functioning of UNDCP still remained unclear (A/46/7/Add.9, para. 4) and required further consideration by the Assembly. The Assembly, in its resolution 46/185 C, section XVI, approved new administrative and financial arrangements for the Fund of UNDCP. This included the authorization of the Commission to approve, on the basis of proposals of the Executive Director, both the budget of the programme of the Fund and the administrative and programme support costs budget. Moreover, the Assembly entrusted the maintenance and submission of the accounts to the Executive Director of UNDCP. Finally, the Assembly noted the intention of the Secretary-General to promulgate financial rules for the Fund and requested that the financial rules should be consistent with the newly approved administrative and financial arrangements for the Fund of UNDCP.

4. Following the adoption of General Assembly resolution 46/185 C and in the light of the comments of the Advisory Committee (A/46/7/Add.9), the Secretary-General concluded in 1992 that, for the time being, the Fund of UNDCP should be able to continue to operate within the framework of the Financial Rules of the United Nations. He also indicated his intention to review the situation, should experience show that the functioning of UNDCP required separate financial rules. In 1995, the Advisory Committee recommended conducting such a review in its report on the Fund of UNDCP (E/CN.7/1995/22), given the magnitude of the extrabudgetary resources of UNDCP and the distinctive features of the Fund. The recommendation of the Advisory Committee was approved by the Commission in its resolution 15 (XXXVIII).

5. The review by the Secretary-General of the financial functioning of UNDCP, conducted in early 1996, confirmed the need to promulgate separate financial rules for the Fund of UNDCP. Separate financial rules were seen to enhance efficiency in the management of the Fund, given its size, the complexity of its mandate and the geographical spread of its organization and operations. The review also brought out the need to amend the draft financial rules initially submitted in the report of the Secretary-General (A/C.5/46/23), taking into account recent experience. Moreover, a comparison was made between the UNDCP model and the experience of other United Nations entities, including in particular the United Nations Environment Programme, the United Nations Children's Fund (UNICEF), UNDP and the United Nations Population Fund (UNFPA). Based on the review, new draft financial rules were presented to the Commission at its fortieth session (E/CN.7/1997/8, annex I). Some of the financial rules presented in the previous draft were revised and others were added, with details being provided on the budget-approval process, the support-cost arrangement, the maintenance and submission of the accounts, the administration of trust funds, the definition of separate financial periods for the biennial budget and project activities, the structure of accounts for the Fund, the arrangements that govern the custody and investment of funds, the internal control mechanisms, the link between the financial rules and the system of administrative instructions to be issued by the Executive Director, the arrangement for executing agencies of UNDCP and the introduction of key definitions such as expenditure, commitment and allocation.

II. DECISION ON DRAFT FINANCIAL RULES PRESENTED IN DOCUMENT E/CN.7/1997/8 AND ADJUSTMENTS TO BUDGET FORMAT AND PROCESS

6. In its review of the draft financial rules set out in document E/CN.7/1997/8, annex I, the Advisory Committee stated that it had no objection to the promulgation of separate financial rules for the Fund of UNDCP (E/CN.7/1997/10, para. 42). That statement, however, was subject to revisions as a result of recommendations by the Advisory Committee to adjust the budget format and process. The Committee further recommended that the revised draft financial rules should be submitted to it before promulgation. The Commission, in its resolution 6 (XL), paragraph 13, expressed its support for the draft financial rules of the Fund of UNDCP and requested the Executive Director to take into account the recommendations of the Advisory Committee. In order

to proceed in a prudent manner, the Executive Director decided to respond first to the recommendations relating to adjusting the budget format and process in the context of the budget exercise for the biennium 1998-1999. Once the new budget format and process were approved, the Executive Director would submit newly revised draft financial rules for the Fund of UNDCP that would fully reflect the new budgetary arrangements. That approach was noted by the Advisory Committee in its report to the Commission at its reconvened fortieth session (E/CN.7/1997/16, para. 23).

7. With regard to the budget format, the Advisory Committee had recommended in its earlier report (E/CN.7/1997/10, para. 33) that UNDCP should use standard budgetary terminology, in particular that used by other funds and programmes of the United Nations (UNICEF, UNDP and UNFPA) in the exercise to harmonize budget presentations. In the same report (para. 41), the Advisory Committee suggested that the experience of UNDCP in shifting from project activities to a programme approach should be taken into account in the formulation of the programme budget of the Fund. In addition, in its resolution 6 (XL), paragraph 11, the Commission requested the Executive Director to present the initial budget for the biennium 1998-1999 for the Fund of UNDCP, following, as appropriate, the harmonized model applied by UNICEF, UNDP and UNFPA. In paragraph 14 of the same resolution, the Executive Director was further requested to elaborate the implications of the new integrated programming approach for the budget presentation in the context of the proposed initial budget for the biennium 1998-1999 for the Fund of UNDCP. In response to the recommendations of the Advisory Committee and the Commission, the Executive Director prepared a new budget format, consisting of the biennial support budget and the biennial programme budget.

8. The new biennial support budget for the Fund of UNDCP was elaborated in accordance with the harmonized budget model as applied by UNICEF, UNDP and UNFPA. The harmonized model provides for common formats, terms and definitions and methodology for the preparation of budget estimates. The main features of the harmonized budget model include the clear separation between the biennial support budget and programme activities and an integration of the biennial support budget within an overall resource framework, including programme activities. For the biennial support budget, a division was introduced between programme support as distinguished from management and administration. Moreover, a budget classification was based on organizational units, identifying the primary focus of the responsibilities and functions of each unit. The latter point constitutes a marked change from the previous budgetary approach, whereby posts and other resources were classified by core and programme support functions. The new approach introduces considerable simplification in the presentation and the programme support arrangement that ultimately facilitates budget transparency.

9. The new biennial programme budget for the Fund of UNDCP introduces the integrated programming approach to replace the previous project approach. Although the harmonization exercise between UNICEF, UNDP and UNFPA does not specifically address the formats and approval processes for programme resources, the recent experience of UNDP was considered to be of particular interest. A new programme concept was introduced, distinguishing between programme activities, programmes and projects. The biennial programme budget presents the consolidated programme activities in one document by programmes, by sectors of the medium-term plan of the United Nations, by execution modality (UNDCP, agencies, national) and by source of funding (general-purpose, special-purpose). Other information contained in the biennial programme budget includes the description of the drug control situation in the programme area, the objectives and strategies of the programmes, a summary of activities for the biennium 1998-1999 and the thematic focus of the programmes, as well as implementation, coordination and financial arrangements. Finally, the presentation includes a proposal of the Executive Director for the approval of the biennial programme budget by the Commission according to programme activities and source of funding.

10. With regard to the budget process, the Executive Director had initially proposed to limit the approval by the Commission to a budget covering administrative and support activities (E/CN.7/1997/8, para. 29). Projects

would be implemented by the Executive Director not on the basis of a biennial programme budget approved by the Commission, but in accordance with an approved fund policy. That was seen to establish the necessary programming flexibility for the Executive Director in the light of the constraints imposed by the volatility of the funding arrangement of the Fund of UNDCP. Resources for the Fund are mainly earmarked in contrast to other United Nations funds and programmes.

11. Whereas the Advisory Committee acknowledged the limitations resulting from the specific funding arrangements for UNDCP, it also expressed the view that the role of the Commission in approving the programme budget of the Fund must be maintained (E/CN.7/1997/10, para. 40). In particular, during its review, the Advisory Committee made reference to General Assembly resolution 46/185 C, section XVI, paragraph 2, by which the Commission was authorized to approve the programme of the Fund and the administrative and programme support costs budget. The new biennial programme budget accommodates the concerns of both the Advisory Committee and the Executive Director. The biennial programme budget is submitted for approval to the Commission in full compliance with Assembly resolution 46/185 C and in accordance with the recommendation of the Advisory Committee. In addition, the move from a project approach to an integrated programming approach provides the Executive Director with the necessary flexibility to cope with the volatility of the funding arrangement. The biennial programme budget is approved by the Commission at the aggregate level of programme activities. Within the limits set by the Commission, the Executive Director has the authority to elaborate further and approve specific programmes and projects with executing agencies and recipient Governments.

12. The new budget format and process were presented to the Advisory Committee and the Commission when submitting the proposed biennial programme budget for 1998-1999 (E/CN.7/1997/15) and the proposed biennial support budget for 1998-1999 (E/CN.7/1997/14). In its review of those documents, the Advisory Committee welcomed the new budget presentation of UNDCP, in line with the harmonized budget model developed by UNICEF, UNDP and UNFPA, and the introduction of the integrated programming approach as recommended by the Advisory Committee and the Commission (E/CN.7/1997/16, para. 2). The Advisory Committee also noted that the Executive Director had proposed the approval of the biennial programme budget in line with its previous recommendation. In its resolutions 7 (XL) and 8 (XL), the Commission approved the biennial support budget and the biennial programme budget as submitted by the Executive Director.

III. REVISIONS TO THE DRAFT FINANCIAL RULES PRESENTED IN DOCUMENT E/CN.7/1997/8 AND PROMULGATION OF THE REVISED DRAFT FINANCIAL RULES BY THE SECRETARY-GENERAL

13. Following the approval of the new budget format and process, the Executive Director revised the draft financial rules for the Fund of UNDCP previously presented in document E/CN.7/1997/8. The revised draft financial rules of the Fund are outlined in annex I to the present note. Annex II provides a comparison between the revised draft financial rules and the draft financial rules presented in document E/CN.7/1997/8.

14. In accordance with the previous submission, the Secretary-General proposes that the Financial Regulations of the United Nations should apply to the financial administration of the Fund, with two exceptions. The first exception concerns financial regulation 6.7, which, together with rule 106.3, requires that all trust funds be administered in accordance with the Financial Regulations and Financial Rules of the United Nations, unless otherwise provided by the General Assembly. It is proposed that trust funds within the Fund should be administered in accordance with the separate financial rules applicable to the Fund. The second exception relates to financial regulations 11.1 and 11.4, concerning the maintenance and submission of the accounts. The revised draft financial rule 15.1 for the Fund stipulates that the responsibility to maintain and submit the accounts are entrusted to the Executive Director in accordance with General Assembly resolution 46/185 C, section XVI,

paragraph 8, whereas United Nations financial regulations 11.1 and 11.4 would require that the accounts be maintained by the Secretary-General. In this connection, in its resolution 46/185 C, section XVI, the General Assembly noted the intention of the Secretary-General to promulgate financial rules for the Fund, including the two exceptions to the Financial Regulations of the United Nations. In the same resolution, the General Assembly also specifically entrusted to the Executive Director the responsibility to maintain and submit the accounts.

15. The revision of the draft financial rules previously presented in document E/CN.7/1997/8 covers three main areas. First, key definitions are revised, added or deleted in accordance with the standard terminology used for the harmonized budget model and the integrated programming approach. Secondly, simplifications are introduced for article III (Financial period), article VI (Fund account) and article IX (Financing the Fund activities) as a result of the new budgetary arrangement. Finally, major revisions are proposed for article X (Outline and biennial budget) and article XI (Allocation of funds by the Executive Director), which are elaborated in detail.

16. For article X (Outline and biennial budget), the introduction of the new budgetary arrangements resulted in the reformulation of rule 10.2 by introducing the concepts of biennial budget, biennial programme budget and biennial support budget. In particular, it is determined that the biennial programme budget forms part of the biennial budget. Rule 10.3 determines that the biennial budget, including the biennial programme budget, is approved by the Commission, which was one of the main concerns of the Advisory Committee. Rule 10.4 is newly introduced to elaborate the authority of the Executive Director to approve, with executing agencies and recipient Governments, programmes and projects in the context of the approved biennial programme budget. Finally, rule 10.5 determines that supplementary estimates for the biennial budget are approved by the Commission. Whereas supplementary estimates for the biennial support budget are submitted to the Advisory Committee, in accordance with the practice in other United Nations funds and programmes, this is not foreseen for the biennial programme budget.

17. For article XI (Allocation of funds by the Executive Director), the reformulated rule 11.1 stipulates that the biennial budget approved by the Commission provides the authority to the Executive Director to issue allocations, incur obligations and make payments. The reformulated rule 11.2 identifies two cases under which the Executive Director can enter into commitments for programmes and projects for future financial periods. Owing to the volatile funding arrangement of UNDCP, it is determined in rules 11.1 and 11.2 that all allocations and commitments need to be made within the resources available.

18. The revision of the draft financial rules for the Fund of UNDCP are seen to comply with the recommendations of the Advisory Committee and the Commission. Subject to the comments of the Commission and the Advisory Committee, the Secretary-General intends to promulgate, pursuant to the Financial Regulations of the United Nations as revised, separate financial rules applicable to the Fund as shown in annex I to the present note.

Annex I

REVISED DRAFT FINANCIAL RULES OF THE FUND OF THE UNITED NATIONS INTERNATIONAL DRUG CONTROL PROGRAMME

Article I. Applicability

Rule 1.1

These rules shall govern the financial management of the Fund of the United Nations International Drug Control Programme (hereinafter referred to as the Fund), pursuant to General Assembly resolution 45/179 of 21 December 1990, paragraphs 6 and 7. They are promulgated pursuant to the Financial Regulations of the United Nations. The Executive Director of the United Nations International Drug Control Programme shall be responsible for the administration of these rules on behalf of the Secretary-General. The Executive Director may delegate authority under these rules, as appropriate, to other officials.

Rule 1.2

Exceptions to these rules may only be made by the specific decision of the Executive Director in writing, in a manner consistent with the Financial Regulations of the United Nations.

Rule 1.3

Any matter not specifically covered by these rules shall be governed, *mutatis mutandis*, by the relevant provisions of the Financial Rules of the United Nations, as subsequently amended.

Article II. Definitions

Rule 2.1

For the purpose of the Financial Rules of the Fund, the following definitions of the main entities involved in activities of the Fund shall apply:

(a) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions;

(b) "Commission on Narcotic Drugs" shall mean the Commission on Narcotic Drugs as the principal United Nations policy-making body on drug control issues;

(c) "Executing agency" shall mean an entity to which the Executive Director has entrusted the implementation of a programme or project;

(d) "Executive Director" shall mean the Executive Director of the United Nations International Drug Control Programme or the officials to whom he or she has delegated authority or responsibility for the matter in question;

(e) "Government" shall mean the Government of a State Member of the United Nations or of a State member of a specialized agency or of the International Atomic Energy Agency. "Recipient" when used in conjunction with "Government" shall mean the Government, as defined above, of a country that receives Fund

assistance and applies also, *mutatis mutandis*, to all entities entitled, as a result of a decision of the Commission on Narcotic Drugs, to receive Fund assistance;

(f) "Secretary-General" shall mean the Secretary-General of the United Nations or the officials to whom he or she has delegated authority or responsibility for the matter in question;

(g) "United Nations International Drug Control Programme" shall mean the United Nations International Drug Control Programme established pursuant to General Assembly resolution 45/179.

Rule 2.2

For the purpose of the Financial Rules of the Fund, the following definitions in respect of specific terms used shall apply:

(a) "Agency support costs" shall mean the expenses incurred by an executing agency as a result of its administration of programmes or projects financed from the Fund;

(b) "Allocation" shall mean a financial authorization issued by the Executive Director to incur obligations and to make payments for specific purposes related to Fund activities and within specified limits, during a definite period;

(c) "Biennial budget" shall mean the budget covering the biennial programme budget and the biennial support budget of the Fund for a period of two calendar years;

(d) "Biennial programme budget" shall mean the budget of an organization covering the programme activities of the organization;

(e) "Biennial support budget" shall mean the budget of an organization covering programme support as well as management and administration of the organization;

(f) "Commitment" shall mean an engagement involving a liability or a contingent liability against resources of one or more future years entered into by the Executive Director or by an executing agency;

(g) "Contribution" shall mean a contribution made to the Fund in cash or in kind or through a cost-sharing arrangement;

(h) "Disbursement" shall mean the actual amount paid;

(i) "Expenditure" shall mean total charges incurred, whether paid or unpaid, that is, the sum of disbursements and unliquidated obligations in respect of the financial period;

(j) "General fund" shall mean funds accepted by the Executive Director for purposes consistent with those of the United Nations International Drug Control Programme, without limitation as to the use for a specific purpose;

(k) "Management and administration" shall mean the maintenance of the identity, direction and functioning of an organization, which typically includes the functions of executive direction, organizational policy and evaluation, external relations, information and administration;

(l) "Obligation" shall mean an engagement involving a liability against an allocation in respect of a definite period;

(m) "Programme" shall mean direct inputs needed to achieve the objectives of a specific programme for international drug control, which will typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training; a programme is coordinated by a single management mechanism and, in general, addresses all aspects of drug control; a programme may be divided into projects constituting interrelated components of the programme;

(n) "Programme activities", within the context of the presentation of the biennial programme budget, shall mean the grouping of all programmes in a consistent and comparable manner, which will typically contain information on programme objectives, strategies, thematic focus, activities, budget provisions, and implementation and coordination arrangements;

(o) "Programme/project document" shall mean the formal document, including revisions thereof, covering the agreed arrangement for the implementation of a programme or project;

(p) "Programme support" shall mean the development, formulation, delivery and evaluation of programmes or projects, which will typically include backstopping activities on either a technical, thematic, geographic, logistical or administrative basis;

(q) "Programme support fund" shall mean funds derived according to the programme support arrangement from the execution of programmes and projects;

(r) "Project" shall mean direct inputs needed to achieve the objectives of a specific project in international drug control; projects constitute a separately identifiable part of a programme and, in general, are limited to a particular aspect of drug control;

(s) "Resources" available to the Fund shall include pledges of voluntary contributions, other governmental or intergovernmental payments to the Fund, donations from non-governmental sources, interest earnings and miscellaneous income;

(t) "Trust fund" shall mean a fund or funds accepted by the Executive Director under the terms of these Financial Rules for purposes specified by the donor and consistent with the policies, aims and activities of the United Nations International Drug Control Programme;

(u) "Unliquidated obligation" shall mean an obligation or that portion of an obligation that is not yet disbursed.

Article III. Financial period

Rule 3.1

The financial period shall consist of two consecutive calendar years, the first of which shall be an even year.

Article IV. Voluntary contributions

Rule 4.1

Voluntary contributions from Governments and intergovernmental and non-governmental sources may be accepted for purposes consistent with those of the mandate of the United Nations International Drug Control Programme.

Rule 4.2

Contributions that may directly or indirectly involve an immediate or ultimate financial liability for the Fund may be accepted only with the approval of the Commission on Narcotic Drugs.

Rule 4.3

Voluntary contributions shall be accepted as general funds without limitation as to their use for a specific purpose. The Executive Director may permit exceptions to this rule and shall report thereon to the Commission on Narcotic Drugs. Funds contributed for purposes specified by the donor shall be treated as trust funds under rule 6.5.

Rule 4.4

Voluntary contributions shall be accepted in currencies that are readily usable by the Fund, consistent with the need for efficiency and economy of operations, or convertible to the greatest possible extent into currencies readily usable by the Fund. The Executive Director may draw the attention of Governments and of other prospective donors to the currency or currencies required for the execution of Fund activities. He may negotiate with contributing Governments regarding the convertibility or reconversion of voluntary contributions.

Rule 4.5

Voluntary contributions accepted by the Executive Director shall be credited to the Fund account.

Article V. Miscellaneous income

Rule 5.1

Miscellaneous income comprises all income of the Fund other than:

(a) Voluntary contributions;

(b) Direct refunds of expenditure, charged in the same financial period.

Rule 5.2

Losses and gains on exchange arising from the payment of voluntary contributions from Governments shall be recorded as a debit or credit to such contributions. All other exchange adjustments shall be recorded separately and classified under miscellaneous income.

Rule 5.3

Charges or credits arising after the closure of programme or project accounts shall be accounted for under miscellaneous income.

Rule 5.4

Proceeds from the sale of programme or project equipment shall be credited to the accounts of that programme or project as a reduction of expenditure, provided such accounts are still open. If they are closed, the proceeds shall be credited to the Fund account as miscellaneous income.

Rule 5.5

Refunds of expenditure of prior financial periods shall be credited to miscellaneous income.

Article VI. Fund account

Rule 6.1

There shall be established a Fund account to which all resources of the Fund shall be credited, from which all financial authorizations shall be made and against which all expenditure on behalf of the Fund shall be charged.

Rule 6.2

Within the Fund account, separate accounts shall be maintained for:

(a) A general fund;

(b) Each trust fund established by the Commission on Narcotic Drugs or the Executive Director.

Rule 6.3

Working capital shall be provided from the cash resources of the Fund account.

Rule 6.4

Programme support funds shall be derived from programme and project activities in accordance with the programme support arrangement of the United Nations International Drug Control Programme and credited to the general fund.

Rule 6.5

Trust funds may be established by the Commission on Narcotic Drugs or the Executive Director for specified purposes consistent with the policies, aims and activities of the United Nations International Drug Control Programme. Contributions that are accepted for purposes specified by the donor shall be treated as trust funds. Commitments under trust fund activities shall not be entered into unless and until funds sufficient to finance such commitments have been received from the donor or donors, or where there exists an agreed payment schedule or a written pledge covering such commitments. The procedures for the establishment and

management of trust funds shall be consistent with those applicable to technical cooperation trust funds of the United Nations as promulgated by the Secretary-General. Trust funds established by the Executive Director shall be reported to the Commission on Narcotic Drugs through the Advisory Committee on Administrative and Budgetary Questions.

Article VII. Custody of funds

Rule 7.1

The Secretary-General shall act as custodian of the funds in the Fund account and shall designate the bank or banks in which such funds shall be kept.

Rule 7.2

The Secretary-General may delegate to the Executive Director such authority with respect to custody of funds, including the authority to designate the banks in which the funds of the Fund shall be kept, as would facilitate the efficient and effective management of the Fund, which delegation shall be acknowledged in writing.

Rule 7.3

Rules 108.1 to 108.12 of the Financial Rules of the United Nations shall apply, *mutatis mutandis*, to the receipt, management and disbursement of the funds in the Fund.

Article VIII. Investment of funds

Rule 8.1

In accordance with the objectives of the Fund, and in the light of specific requirements of its operations as determined by the Executive Director, funds not required immediately may be invested by the Secretary-General, in consultation with the Executive Director.

Rule 8.2

Income derived from the investments of trust funds shall be credited to the respective trust fund if so specified. Other income derived from investments shall be credited to the general fund as miscellaneous income.

Article IX. Financing the Fund activities

Rule 9.1

The resources of the Fund are to be available at all times to the maximum extent possible for Fund purposes, subject only to the maintenance on a continuous basis of an operational reserve. Provisions are made annually for the biennial support budget from the general fund and for the biennial programme budget from the general fund, as well as from trust funds.

Rule 9.2

There shall be established an operational reserve under the general fund, the level of which shall be determined from time to time by the Commission on Narcotic Drugs on the recommendation of the Executive Director. The purposes of the operational reserve shall be to guarantee the financial liquidity and integrity of the Fund, to compensate for uneven cash flows and to meet such other similar requirements as may be decided upon by the Commission on Narcotic Drugs. The latter shall keep the level and composition of the operational reserve under constant review, taking into account the estimated income and expenditure for the following calendar year.

Rule 9.3

There shall be established such other reserves as may be approved by the Commission on Narcotic Drugs.

Article X. Outline and biennial budget

Rule 10.1

The Executive Director shall prepare an outline of the Fund for the following biennium, which shall contain preliminary estimates of resources available and programme priorities, reflecting general trends of a broad sectoral nature.

Rule 10.2

The Executive Director shall prepare a biennial budget for each financial period, based on the approved outline of the Fund. The biennial budget is composed of the biennial programme budget, which shall cover the programme activities of the organization, and the biennial support budget, which shall cover programme support as well as management and administration of the organization. The biennial budget shall be sufficient to cover all anticipated activities in a form consistent with relevant United Nations budgetary regulations, rules, policies and practices. The biennial budget shall cover proposed expenditure and anticipated income related to the financial period and may include provision for contingencies.

Rule 10.3

The outline and the biennial budget shall be submitted to the Advisory Committee on Administrative and Budgetary Questions for examination and comment. Subsequently, the budget estimates and the comments and recommendations of the Advisory Committee shall be submitted to the Commission on Narcotic Drugs for approval.

Rule 10.4

In the context of the approved biennial programme budget, the Executive Director is authorized to approve programmes and projects with executing agencies and, if applicable, with the Governments concerned. Approval shall be provided on the basis of a programme or project document. Whenever a programme or project ceases to reflect actual circumstances or current expectations in any significant respect, it shall be revised accordingly.

Rule 10.5

Supplementary budget estimates, prepared in a form consistent with the biennial budget, may be submitted by the Executive Director to the Commission on Narcotic Drugs. Supplementary budget estimates for the biennial support budget shall be accompanied by the comments and recommendations thereon of the Advisory Committee.

Article XI. Allocation of funds by the Executive Director

Rule 11.1

The approved biennial budget shall constitute an authorization to the Executive Director to issue allocations within the resources available for the purpose of implementing the activities indicated in the biennial budget. Allocations shall be issued for programmes and projects under the biennial programme budget and for the biennial support budget. Rules 110.1 to 110.9 of the Financial Rules of the United Nations shall apply, *mutatis mutandis*, to the administration of the biennial budget.

Rule 11.2

The Executive Director may enter into commitments for future financial periods, within the resources available, covering the duration of programmes and projects, provided that such commitments:

(a) Are for activities that have been approved by the Commission on Narcotic Drugs in the context of the biennial programme budget and are expected to continue beyond the end of the current financial period; or

(b) Are authorized by specific decision of the Commission on Narcotic Drugs.

Rule 11.3

An allocation shall remain available to the extent that it is required to discharge any outstanding legal obligations as follows. For a programme or project under the biennial programme budget, an allocation, with the exception of the final allocation, shall remain available for the duration of the programme or project. The final allocation for a programme or project shall remain available for the period required. For the biennial support budget, an allocation shall remain available for twelve months following the end of the financial period to which it relates. The unutilized portion of an allocation shall lapse at the end of its validity.

Rule 11.4

After the completion of a programme or project, any unforeseen disbursements or refunds and any deficit or unforeseen savings on the liquidation of obligations shall be charged or credited, as the case may be, to the Fund account under miscellaneous income. Such net adjustments exceeding $25,000 because of a financially completed programme or project shall be referred to the Executive Director.

Rule 11.5

Staff or consultants whose emoluments will be paid from the resources of the Fund may only be engaged with the written authority of the Executive Director and within the allotments or other limits approved for that purpose. The appointment of such staff and consultants shall be limited to service with the United Nations International Drug Control Programme. The Executive Director, or the officials to whom authority has been

delegated by him, shall be responsible for ensuring that the terms of employment of staff or consultants conform to the terms of the Staff Regulations and Staff Rules of the United Nations.

Article XII. Contracts and purchases

Rule 12.1

When provision is made in the biennial budget for equipment, supplies or services to be supplied by the Fund, the Executive Director shall be responsible for the purchase of equipment and supplies and the contracting of services. To that end, he may enter into arrangements with the United Nations or an executing agency or agencies to employ the procurement services thereof, in which case the relevant financial rules and procedures of the organization concerned shall apply. Procurement activities that are not covered by the aforesaid arrangements shall be governed by rules and procedures promulgated by the Executive Director; such rules and procedures shall be patterned on rules 110.16 to 110.24 of the Financial Rules of the United Nations.

Article XIII. Internal control

Rule 13.1

Only those officials designated by the Executive Director as approving officers may approve obligations or proposals for the incurring of expenditure and payments for recording in the accounts. Any such obligations or proposals for the incurring of expenditure must have been duly certified by the certifying officers designated by the Executive Director for that purpose. Except in the case of small field offices, no person shall perform the functions of both an approving officer and a certifying officer at the same time.

Rule 13.2

The Executive Director may make ex gratia payments not exceeding $40,000 as he deems to be necessary in the interest of the Fund, provided that a statement of such payments shall be submitted to the General Assembly and the Commission on Narcotic Drugs with the accounts. Ex gratia payments may be made in cases where, although in the opinion of the Office of Legal Affairs of the United Nations Secretariat there is no legal liability on the Fund, the moral obligation is such as to make payment desirable in the interest of the Fund.

Article XIV. Executing agencies

Rule 14.1

The following entities may be entrusted by the Executive Director with the implementation of Fund assistance to programmes or projects:

(a) Recipient Governments;

(b) Organizations of the United Nations system, namely, the United Nations, the specialized agencies, the International Atomic Energy Agency and other organizations that are or become part of the United Nations system;

(c) Governmental and intergovernmental institutions or agencies that are not part of the United Nations system;

(d) Non-governmental organizations;

(e) The United Nations International Drug Control Programme itself.

An entity so entrusted shall be known as the executing agency for the programme or project in question.

Rule 14.2

In consultation with and with the agreement of the recipient Government or Governments, the Executive Director shall designate a single executing agency for each programme or project. With the agreement of the recipient Government or Governments and of the Executive Director, the designated executing agency may associate one or more other agencies with it in the implementation of the programme or project. A programme or project document shall be drawn up for each programme or project.

Rule 14.3

The agreement between the executing agency and the Fund shall include:

(a) The respective responsibilities of the executing agency and the Fund in formulation, execution, monitoring and evaluation of the programme or project;

(b) Arrangements for the disbursement of funds, including the reimbursement of support costs, to the executing agency;

(c) Arrangements for internal and external auditing, financial and non-financial reporting and other requirements in respect of accountability for funds of the Fund;

(d) Any other arrangements that are necessary for the Executive Director to follow the execution of programmes and projects or that would otherwise enable him to exercise his accountability.

Rule 14.4

Allocations issued by the Executive Director to executing agencies for programmes or projects to be carried out by the said agencies shall be administered by them under their respective financial regulations, rules, procedures and practices.

Rule 14.5

The Executive Director shall secure from each executing agency assurances that it will maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from the Fund, including in particular their total recorded allocations, disbursements, unliquidated obligations, commitments, cash holdings and other financial data.

Article XV. Accounts

Rule 15.1

The Executive Director shall maintain such accounts and records as are necessary to enable him to report on the Fund account to the Commission on Narcotic Drugs and the General Assembly.

Rule 15.2

Financial reports on the Fund account shall be presented in United States dollars. Accounting records, however, may be kept in such currency or currencies as the Executive Director may deem necessary.

Rule 15.3

The Executive Director shall have prepared and certified as correct biennial financial statements showing the status of the Fund account and including supporting schedules. The Executive Director shall submit these biennial financial statements to the Board of Auditors of the United Nations not later than 30 April following the end of the year in question.

Rule 15.4

The financial statements of the Fund shall be prepared and presented in conformity with common accounting standards of the United Nations system. The financial statements shall include:

(a) Status of approved budget;

(b) Statement of income and expenditure;

(c) Statement of assets and liabilities, reserves and fund balances;

(d) Such other statements as may be required.

Rule 15.5

The financial statements of the Fund shall be classified under general fund and trust funds. These statements will be supported by:

(a) Appropriate notes;

(b) Schedule of voluntary contributions;

(c) Schedule of operating funds advanced to agencies;

(d) Such other schedules as may be required.

Rule 15.6

Financial transactions shall be recorded in the accounts on an accrual basis, except as may be otherwise permitted under the common accounting standards of the United Nations system or required by the terms of any

trust fund. Any changes from the accrual basis of accounting and reasons therefor must be approved by the Executive Director and fully disclosed in the financial statements.

Rule 15.7

The operational rates of exchange shall be those established by the Secretary-General and communicated to the Executive Director.

Rule 15.8

When the United Nations operational rate of exchange for a particular currency is revised, the Executive Director shall revalue the balance of cash and other assets or liabilities in that currency and shall charge or credit the exchange adjustment to a central account, the balance of which at year-end shall be either credited to miscellaneous income or debited to the relevant budgetary account. Exchange adjustments resulting from the payment of government contributions shall be recorded separately from those exchange adjustments from other transactions and shall be offset against those contributions.

Rule 15.9

For the purpose of recording in the Fund account voluntary contributions pledged in currencies other than United States dollars, the United Nations operational rate of exchange in effect on the date of the pledge shall be used.

Rule 15.10

For the purpose of recording all other transactions in the Fund account, the United Nations operational rate of exchange in effect on the date of the transaction shall be used.

Article XVI. Audit

Rule 16.1

The accounts showing the status of the Fund, with audit opinion and report from the Board of Auditors of the United Nations, shall be transmitted by the Executive Director to the Advisory Committee on Administrative and Budgetary Questions, the Commission on Narcotic Drugs and the General Assembly.

Rule 16.2

All financial transactions and related activities covered by these rules shall be subject to audit by the Office of Internal Oversight Services of the United Nations Secretariat.

Article XVII. General provisions

Rule 17.1

Every official of the United Nations International Drug Control Programme is responsible to the Executive Director for the regularity of the actions taken by him or her in the course of his or her official duties. Any official who takes any action contrary to these financial rules, or to the administrative instructions issued in

connection therewith, may be held personally responsible and financially liable for the consequences of such action.

Rule 17.2

These rules may be amplified by administrative instructions issued by the Executive Director.

Rule 17.3

These rules shall be effective as at 1 January 1999. If a consequential change in these rules is required in order to conform with a change made by the General Assembly in the Financial Regulations of the United Nations, the effective date of such change in the rules shall be the effective date of the revision of the applicable regulation.

Annex II

COMPARISON BETWEEN THE REVISED DRAFT FINANCIAL RULES OF THE FUND OF THE UNITED NATIONS INTERNATIONAL DRUG CONTROL PROGRAMME AND THE DRAFT FINANCIAL RULES OF THE FUND PRESENTED IN DOCUMENT E/CN.7/1997/8

Rule number			
New	*Old*	*Change*	*Comments and reasons*
Article I. Applicability			
1.1	1.1	None	
1.2	1.2	None	
1.3	1.3	None	
Article II. Definitions			
2.1	2.1	None	
2.2	2.2	Definitions deleted: appropriation, core activities, programme support activities; definitions revised: executing agency, agency support costs, biennial budget, commitment, expenditure, obligation, programme support fund, project; definitions added: biennial programme budget, biennial support budget, contribution, management and administration, programme activities, programme/project document, programme support.	The application of standard terminology was used for the harmonized budget model and the integrated programming approach.
Article III. Financial period			
3.1	3.1	The words "for the purpose of both proposed utilization of resources and the incurring of and accounting of expenditure in respect of the biennial budget" were deleted.	The rule was simplified as a result of the approval of a biennial budget, including the biennial support budget and the biennial programme budget.
--	3.2	Deleted	See above.
--	3.3	Deleted	See above.

Rule number				
New	*Old*		*Change*	*Comments and reasons*
Article IV. Voluntary contributions				
4.1	4.1		None	
4.2	4.2		None	
4.3	4.3		None	
4.4	4.4		None	
4.5	4.5		None	
Article V. Miscellaneous income				
5.1	5.1		None	
5.2	5.2		None	
5.3	5.3		The word "project" was replaced by "programme or project".	In accordance with new definitions.
5.4	5.4		The word "project" was replaced by "programme or project".	In accordance with new definitions.
5.5	5.5		None	
Article VI. Fund account				
6.1	6.1		None	
6.2	6.2		"(b) A programme support fund" was deleted.	In accordance with the new budgetary arrangements, programme support funds are credited to the general fund. No separate account for the programme support fund is maintained.
6.3	6.3		None	
6.4	6.4		The words "project activities" were replaced by "programme and project activities"; the words "The fund shall be used exclusively for programme support activities" were replaced by "and credited to the general fund".	In accordance with new definitions and budgetary arrangements, programme support funds are credited to the general fund.
6.5	6.5		The words "or a written pledge" were inserted after "agreed payment schedule".	Clarification of rule.

Rule number *New*	*Old*	*Change*	*Comments and reasons*
Article VII. Custody of funds			
7.1	7.1	None	
7.2	7.2	None	
7.3	7.3	None	
Article VIII. Investment of funds			
8.1	8.1	The words "Account being taken of" were replaced by "In accordance with".	Improvement of formulation.
8.2	8.2	Reformulated	The rule was clarified by stipulating that all income from investments is credited to the general fund, except income from investments of trust funds, if so specified.
Article IX. Financing the Fund activities			
9.1	9.1	The words "After provision has been made annually for the biennial budget from the general fund and the programme support fund, all resources not otherwise committed or reserved can be utilized for project activities" were replaced by "Provisions are made annually for the biennial support budget from the general fund and for the biennial programme budget from the general fund, as well as from trust funds".	In accordance with new definitions and budgetary arrangements.
9.2	9.2	The words "and the programme support fund" were deleted.	In accordance with new budgetary arrangements, programme support funds are credited to the general fund and the operational reserve is established under the general fund.
9.3	9.3	None	
Article X. Outline and biennial budget			
10.1	10.1	None	
10.2	10.2	Reformulated	In accordance with new budgetary arrangements, the concepts of biennial budget, biennial programme budget and biennial support budget are introduced. In particular, it is determined that the biennial programme budget forms part of the biennial budget.

Rule number *New*	*Old*	*Change*	*Comments and reasons*
10.3	10.3	The words "and appropriation" were deleted.	The Commission approves the budget only and does not appropriate resources. Among others, rules 10.2 and 10.3 determine that the biennial programme budget is approved by the Commission.
10.4	--	New rule	In accordance with new budgetary arrangements, the new rule describes the approval of programmes and projects by the Executive Director in the context of the approved biennial programme budget. The rule also covers the revision of programmes and projects previously described under rule 11.4.
10.5	10.4	Reformulated	The rule describes that supplementary estimates for the biennial support budget are submitted to the Commission through the Advisory Committee. Supplementary estimates limited to the biennial programme budget would not be submitted to the Advisory Committee in accordance with the practice of other United Nations funds and programmes.
Article XI. Allocation of funds by the Executive Director			
11.1	11.1, 11.2 and 11.3	Reformulated	In accordance with new budgetary arrangements, the approved biennial budget provides the authorization to issue allocations, to incur obligations and to make payments. Owing to the volatile funding arrangement of the United Nations Drug Control Programme (UNDCP), it is determined that all allocations are issued within the resources available.
11.2	11.1 and 11.2	Reformulated	In accordance with new budgetary arrangements, two cases are described under which the Executive Director can enter into commitments for programmes and projects for future financial periods. Owing to the volatile funding arrangement of UNDCP, it is determined that all commitments are made within the resources available.
--	11.4	Deleted	The previous rule described the process for revising projects. This issue has been included in the new rule 10.4.
11.3	10.5 and 10.7	Reformulated	The rule describes the availability of allocations to discharge outstanding legal obligations.

Rule number *New*	*Old*	*Change*	*Comments and reasons*
11.4	11.6	The word "project" was replaced by "programme or project"; the words "to the general fund or, in the case of trust fund activities, to the relevant trust fund" were replaced by "to the Fund account".	In accordance with new definitions and to clarify the stipulations of the rule.
11.5	11.8	None	
Article XII. Contracts and purchases			
12.1	12.1	The words "core and programme support budget or in project budgets" were replaced by "biennial budget".	In accordance with new definitions.
Article XIII. Internal control			
13.1	13.1	None	
13.2	13.2	None	
Article XIV. Executing agencies			
14.1	14.1	The word "projects" was replaced by "programmes or projects"; the word "project" was replaced by "programme or project".	In accordance with new definitions.
14.2	14.2	The word "project" was replaced by "programme or project".	In accordance with new definitions.
14.3	14.3	The word "project" was replaced by "programme or project".	In accordance with new definitions.
14.4	14.4	The word "projects" was replaced by "programmes or projects".	In accordance with new definitions.
14.5	14.5	None	
Article XV. Accounts			
15.1	15.1	None	
15.2	15.2	None	
15.3	15.3	None	
15.4	15.4	None	

Rule number *New*	*Old*	*Change*	*Comments and reasons*
15.5	15.5	None	
15.6	15.6	None	
15.7	15.7	None	
15.8	15.8	None	
15.9	15.9	None	
15.10	15.10	None	
Article XVI. Audit			
16.1	16.1	None	
16.2	16.2	None	
Article XVII. General provisions			
17.1	17.1	None	
17.2	17.2	None	
17.3	17.3	The year "1998" was replaced by "1999".	In accordance with the revised timetable for the promulgation of the revised financial rules.

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Forty-first session
Vienna, 11-13 March 1998
Item 7 of the provisional agenda*

PROVISIONAL AGENDA FOR THE FORTY-SECOND SESSION OF THE COMMISSION AND FUTURE WORK

Note by the Secretariat

Summary

The present document contains the draft provisional agenda and lists the documentation required for the forty-second session of the Commission on Narcotic Drugs. In section II of the document, the Commission is invited to consider giving new or additional policy directives to the United Nations International Drug Control Programme.

*E/CN.7/1998/1.

V.98-50370 (E)

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I. DRAFT PROVISIONAL AGENDA AND DOCUMENTATION FOR THE FORTY-SECOND SESSION OF THE COMMISSION

1. In accordance with rule 9 of the rules of procedure of the functional commissions of the Economic and Social Council (E/5975/Rev.1), the Secretariat submits to the Commission on Narcotic Drugs the following draft provisional agenda for its forty-second session, together with an indication of the documents for its consideration in respect of each item:

Draft provisional agenda and documentation for the forty-second session of the Commission on Narcotic Drugs

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

   Documentation

   Annotated provisional agenda

3. General debate and policy directives.

   Documentation

   Report of the Executive Director on the activities of the United Nations International Drug Control Programme

4. Reduction of illicit demand for drugs.
   [Special topic or topics to be identified by the Commission]

   Documentation

   World situation with regard to drug abuse: report of the Secretariat
   [Special report or reports requested by the Commission]

5. Illicit drug traffic and supply, including reports of subsidiary bodies of the Commission.

   Documentation

   World situation with regard to illicit drug trafficking: report of the Secretariat

   Action taken by subsidiary bodies of the Commission on Narcotic Drugs: report of the Secretariat

6. Implementation of the international drug control treaties:

(a) Changes in the scope of control of substances;

Documentation

[Report of the Executive Director (as necessary)]

(b) International Narcotics Control Board;

Documentation

Report of the International Narcotics Control Board for 1998

Report of the International Narcotics Control Board for 1998 on the implementation of article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988

(c) Other matters arising from the international drug control treaties.

Documentation

[Note by the Secretariat (as necessary)]

7. Implementation of the Global Programme of Action adopted by the General Assembly at its seventeenth special session.

Documentation

Global Programme of Action adopted by the General Assembly at its seventeenth special session: report of the Secretary-General

8. Follow-up to the twentieth special session of the General Assembly and implementation of resolutions adopted by the General Assembly on international drug control.

Documentation

Implementation of resolutions adopted by the General Assembly on international drug control. report of the Secretariat

9. Administrative and budgetary matters.

Documentation

[Note by the Executive Director (as necessary)]

10. Provisional agenda for the forty-third session of the Commission and future work.

Documentation

Note by the Secretariat

11. Other matters.

Documentation

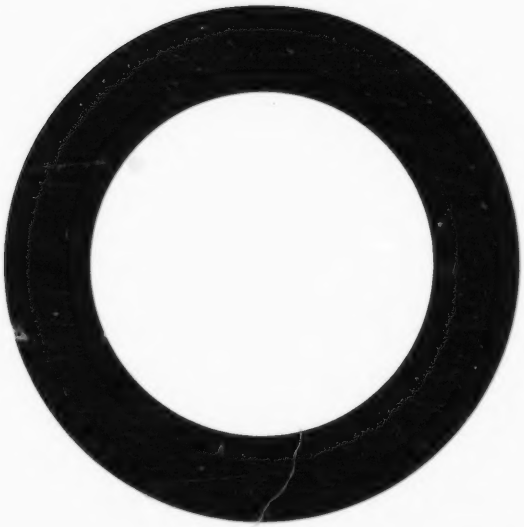
[Note by the Secretariat (as necessary)]

12. Adoption of the report of the Commission on its forty-second session.

II. ACTION REQUIRED OF THE COMMISSION

2. The Commission is invited to take into consideration that the contents of the agenda might be modified in the light of discussions by the General Assembly at its special session to be held in June 1998.

3. The draft provisional agenda requires the prior approval of the Commission before being submitted to the Economic and Social Council. The Secretariat will inform the Commission of its capacity to produce requested documentation within existing resources. Any request for additional documentation will entail the identification of activities to be deferred or cancelled.



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ADMINISTRATIVE AND BUDGETARY MATTERS

Revised draft financial rules of the Fund of the United Nations International Drug Control Programme

Letter dated 19 February 1998 from the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Secretary-General

The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director of the Fund of the United Nations International Drug Control Programme (UNDCP) on the revised draft financial rules of the Fund of UNDCP (E/CN.7/1998/6). During its consideration of the report, the Committee met with representatives of the Executive Director and the Department of Management of the Secretariat.

The Advisory Committee recalls that it reviewed the draft financial rules during February 1997, indicating that it had no objection to the promulgation by the Secretary-General of separate financial rules for the Fund of UNDCP, subject to revisions reflecting a number of recommendations by the Committee. Furthermore, the Committee recommended that the revised draft financial rules be submitted to it before promulgation.

The Advisory Committee notes that the revision of the draft financial rules of the Fund of UNDCP has been cleared by the Under-Secretary-General of the Department of Management and complies with the recommendations of the Committee. The Committee was informed that the revised draft financial rules comply with observations of the Commission on Narcotic Drugs.

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V.98-51328 (E)

Subject to any further comments that the Commission on Narcotic Drugs may have at its forty-first session, the Advisory Committee interposes no objection to promulgate, pursuant to the Financial Regulations of the United Nations, separate financial rules applicable to the Fund of UNDCP, as shown in annex I of document E/CN.7/1998/6.

(Signed) C. S. M. MSELLE
Chairman

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Item 8 of the provisional agenda*

OTHER MATTERS

Gender mainstreaming in drug policies and programmes and eradicating poverty

Note by the Secretariat

1. At its 1997 coordination segment, the Economic and Social Council adopted agreed conclusions 1997/2 on mainstreaming the gender perspective into all policies and programmes in the United Nations system. In a letter dated 5 December 1997 (see annex), the President of the Council conveyed those agreed conclusions to the Chairman of the Commission on Narcotic Drugs at its fortieth session. The President noted that the Council had called upon all its functional commissions and subsidiary bodies to mainstream a gender perspective in their work and decided to monitor annually progress in that respect. In that connection, he drew attention to the fifth and ninth paragraphs of section II.A of the agreed conclusions, which read as follows:

> "The Council calls upon all its functional commissions and subsidiary bodies to mainstream a gender perspective in their work, and in this regard:
>
> "(a) To adopt, as a first step, an explicit decision on mainstreaming a gender perspective in their work;
>
> "(b) To make maximum use of the agreed conclusions of the Commission on the Status of Women on the 12 critical areas of concern when monitoring implementation of global conferences with regard to related topics at the national and international levels;

*E/CN.7/1998/1.

"(c) To take into account the work of the Commission on the Status of Women and the Commission on Human Rights in the area of enjoyment of human rights by women."

"Under an item entitled Integrated follow-up of major United Nations conferences, the Council will monitor annually the way in which its functional commissions and subsidiary bodies mainstream a gender perspective on the basis of the report on the follow-up to the Fourth World Conference on Women."

2. In his letter of 5 December 1997, the President of the Economic and Social Council also drew attention to the agreed conclusions of the high-level segment of the Council on fostering an enabling environment for development in relation to the agreed conclusions of the Council in 1996 on poverty eradication. He further drew attention to Council resolution 1997/60, in which, *inter alia*, the Council called on all relevant functional Commissions to implement fully the recommendations contained in the agreed conclusions of 1996.

3. The Secretary-General is required to submit a report to the Economic and Social Council at its substantive session of 1998 on the implementation of the agreed conclusions. Any action taken by the Commission to implement the relevant agreed conclusions should be included in that report.

4. In view of the foregoing, the Commission may wish to identify appropriate action to implement the relevant agreed conclusions.

5. Information on action taken by the United Nations International Drug Control Programme (UNDCP) in mainstreaming a gender perspective into its policies and programmes is given below, as well as information on the issue of poverty.

6. To assist the Commission in its consideration of appropriate action, the complete texts of the agreed conclusions and of Economic and Social Council resolution 1997/60 will be before the Commission in all the official languages of the United Nations (E/CN.7/1998/CRP.4).

I. GENDER MAINSTREAMING IN DRUG POLICIES AND PROGRAMMES

7. In 1992 and 1993, UNDCP, the Division for the Advancement of Women of the United Nations Secretariat and the World Health Organization (WHO) collaborated on a global project to ascertain the scope of the drug problem among men and women. Applying rapid assessment methodologies, data was collected from 27 countries. The previously hidden dynamic of gender issues in drug cultivation, manufacturing, trafficking and consumption was uncovered and documented for the first time at the international level. The results showed, among other things, that while both women and men engaged in drug-related activities, men controlled most of the profit and power and women were used mostly as labourers in the cultivation and manufacturing process and as mules in trafficking. Women, like men, consumed drugs illegally, but hid their consumption more than men did because of greater social disapproval. Access to drug treatment and treatment facilities was more readily available to men than to women. Furthermore, women drug abusers who were pregnant or infected with the human immunodeficiency virus (HIV) suffered even more discrimination, often receiving no treatment at all.

8. The research findings were reflected, together with contributions from other United Nations agencies, in a United Nations system position paper on women and drugs, which was endorsed by the members of the Ad Hoc Inter-agency Meeting on Coordination in Matters of International Drug Abuse Control of the Administrative Committee on Coordination (ACC). This led to their inclusion in the report of the Secretary-General to the Commission on the Status of Women at its thirty-eighth session, in March 1994, under the priority theme "Development: women in urban areas: population, nutrition and health factors for women in

development, including migration, drug consumption and acquired immunodeficiency syndrome" (E/CN.6/1994/3).

9. In 1994, UNDCP designated "Women, drug abuse and drug control" as the theme for the observance of the International Day against Drug Abuse and Illicit Trafficking, drawing attention to the problems of women in relation to drug abuse and the interplay of gender issues in drug cultivation, manufacturing, trafficking and consumption. In July 1994, the Office of the Executive Director of UNDCP appointed a Focal Point on Women in UNDCP to deal with all technical and policy aspects of drug issues from a gender perspective. Furthermore, in January 1995, UNDCP presented a seminar on the gender dimension in drug control to inform staff of the gender issues relevant to drug control. In February 1995, a working group on gender-related issues was formed, comprising representatives from each section of UNDCP, to begin examining ways in which to integrate a gender perspective into the drug control work.

10. In addition to providing technical inputs in the field of drugs to strengthen the Platform for Action adopted at the Fourth World Conference on Women, held at Beijing in September 1995, UNDCP sponsored and organized jointly with the United Nations Interregional Crime and Justice Research Institute, the NGO Committee on the Status of Women and the NGO Committee on Narcotic Drugs, a special event on women and substance abuse during the Conference for Governments, non-governmental organizations, United Nations bodies and academic institutions.

11. As a follow-up to the Beijing Conference, a number of activities were carried out by UNDCP. A special issue on gender and drug abuse of the *Bulletin on Narcotics*, published in June 1996, announced an international research award competition sponsored jointly by UNDCP and WHO. In July 1997, UNDCP organized a public seminar to present the award-winning research papers from Africa, Latin America and Europe.

12. As part of the proposed system-wide medium-term plan for the advancement of women, 1996-2001, the ACC Subcommittee on Drug Control included "Women and drug abuse: a gender perspective" as a theme in the United Nations System-Wide Action Plan on Drug Abuse Control. A review of the System-Wide Action Plan in December 1997 demonstrated achievements in several key areas, such as the inclusion of sex-dissaggregated data analysis in rapid assessments, integrating a gender perspective in UNDCP-organized demand reduction forums, and the inclusion of a gender dimension in several UNDCP-funded alternative development projects. Furthermore, pursuant to Economic and Social Council agreed conclusions 1997/2, UNDCP offices in the field and at headquarters have jointly prepared a programme advisory note on mainstreaming the gender perspective in its policies and programmes, which is currently under review.

II. POVERTY ERADICATION

13. There are clear linkages between poverty and drug abuse, as there are between poverty alleviation and drug control. Especially with regard to fostering an enabling environment for sustainable development in conflict and post-conflict situations, drug-related issues need to be taken into account from the start if reconstruction, rehabilitation and sustainable development efforts are to be successful.

14. The connections between drug control and poverty are particularly clear in areas of illicit cultivation of crops from which narcotic drugs are derived, as these tend to be remote rural areas below the average income level of the country. In such areas, alternative development is applied for the benefit of small-scale traditional growers as a process to reduce, eliminate and prevent production of illicit crops through specifically designed rural development measures in the context of sustained national economic growth. In this connection, the Commission's attention is drawn to the proposed elaboration of an international strategy to eliminate the illicit cultivation of coca and opium poppy (strategy for coca and opium poppy elimination (SCOPE)).

15. Illicit cultivation takes place in a limited number of countries and regions, and is directly linked to rural poverty. In areas of extreme poverty, the illicit crop fulfils the basic need for cash in notoriously cash-strapped subsistence economies. To change agricultural techniques and income structures, off-farm income-generating activities are often part of alternative development projects. The reduction of rural poverty, particularly through sustainable natural resource management, is therefore an inherent result of successful alternative development interventions.

16. There are also linkages on the demand side, as poverty breeds drug abuse and addiction breeds poverty. Similarly, poverty is instrumental in the involvement of individuals, often drug abusers, in illicit, street-level trafficking. The reduction of poverty and the concomitant building of a sustainable, enabling environment for human well-being thus inherently reduce the risk of drug abuse.

17. The Commission has consistently recognized the interrelationship between the drug abuse problem and socio-economic development and has encouraged Governments to adopt a holistic approach in addressing drug control. The application of poverty eradication as a methodology to address drug problems is thus appropriate and in some cases essential. This can only be achieved if Governments take full account of drug-related issues in pursuing their broader socio-economic planning.

18. Furthermore, in endorsing the 1995 decision of ACC to encourage all parts of the United Nations system "to identify, on a systematic basis, aspects of their respective programmes with potential major implications for drug abuse control issues" (ACC/1995/4, paragraph 6), the Commission encouraged integrated responses by the system to drug problems in connection with responses to other cross-cutting phenomena, such as poverty. This approach is particularly important with regard to those programmes and agencies addressing problems not only of rural poverty but also of urban poverty, street children and other economically disadvantaged groups.

19. In a climate of growing collaboration within the United Nations system and the consequent consolidation of activities, a number of issues can be addressed simultaneously. Prime examples of this are the integration of a drug control component into the promotion of community-based development for poverty reduction in Kyrgyzstan under the auspices of the United Nations Development Programme (UNDP) and the mobilization of various agencies to expand their own mandated activities to UNDCP alternative development project areas in Viet Nam and the Lao People's Democratic Republic. Similarly, in the Baalbeck-Hermel area of Lebanon, UNDCP, together with UNDP and non-governmental organizations, seeks to sustain the non-cultivation of illicit crops by improving the socio-economic situation and enhancing local capacities to provide basic services, especially in the health and education sectors. In its future strategy for Africa, UNDCP will also take into consideration the relationship between the drug problem and poverty, as well as Africa's vulnerability to drug abuse and trafficking and in this context will not only launch programmes but will join other ongoing poverty alleviation programmes as well.

Annex

LETTER DATED 5 DECEMBER 1997 FROM THE PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL ADDRESSED TO THE CHAIRMAN OF THE COMMISSION ON NARCOTIC DRUGS AT ITS FORTIETH SESSION

I am writing to you to seek your active cooperation and support in implementing a number of recommendations adopted by the Economic and Social Council at its coordination and high-level segments in 1997 which require the attention and action of the Commission on Narcotic Drugs.

I should like to transmit to you the agreed conclusions adopted by the Council on 18 July 1997 on mainstreaming the gender perspective into all policies and programmes in the United Nations system. The Council called upon all its functional commissions and subsidiary bodies to mainstream a gender perspective in their work (section II.A, fifth paragraph), and decided to monitor annually progress in this respect (section II.A, ninth paragraph). The Council also provided a definition (section I.A) and principles (section I.B) for gender mainstreaming.

As the Secretariat will prepare a report to the Council in 1998 on the implementation of these agreed conclusions, I should be grateful if you would keep me, or the Chairperson of the Commission on the Status of Women, informed of steps taken by the Commission on Narcotic Drugs for implementing these recommendations, and of any obstacle or difficulty encountered in that process.

I should also like to convey to you the agreed conclusions adopted by the high-level segment of the Council entitled "Fostering an enabling environment for development: financial flows, including capital flows, investment and trade". The Council decided, in 1996, that it would discuss issues of the enabling environment for development, and that commissions should focus their consideration of those issues on aspects that fall within their respective areas of competence (agreed conclusions 1996/1 on the coordination of United Nations system activities for poverty eradication.)

Finally, I should also like to transmit herewith the text of a resolution on eradication of poverty (resolution 1997/60), adopted by the Council on 25 July 1997. The Council reaffirmed that it would continue to provide overall guidance and oversee system-wide coordination in the implementation of its agreed conclusions 1996/1 on the eradication of poverty by all organizations of the United Nations system.

In forwarding this resolution, I wish to draw your attention, in particular, to paragraph 4, in which the Council welcomed the steps already taken by functional commissions, in particular the Commission for Social Development and the Commission on the Status of Women, to implement the recommendations of the Council on the coordination of the multi-year programmes of the functional commissions related to poverty eradication, and called upon all relevant functional commissions to fully implement the recommendations contained in its agreed conclusions 1996/1. I should be most grateful if necessary steps could be taken to achieve this end.

In connection with the above-mentioned issues, may I suggest that consideration be given to having a standing agenda item on the follow-up to the agreed conclusions of the Council's high-level and coordination segments, and to its resolutions, as part of the agenda of your Commission.

(*Signed*) Vladimir GALUSKA